

AMENDED IN SENATE AUGUST 5, 2014

AMENDED IN ASSEMBLY APRIL 10, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2647

Introduced by Assembly Member Wagner

February 21, 2014

An act to add Section 34182.1 to the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 2647, as amended, Wagner. Redevelopment: El Toro Project Area: former City of Lake Forest Redevelopment Agency.

Existing law dissolved redevelopment agencies and community development agencies as of February 1, 2012, and provides for the designation of successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, make payments due for enforceable obligations and to perform obligations required pursuant to any enforceable obligation. Existing law additionally requires the county auditor-controller to determine annually the amount of property taxes that would have been allocated to each redevelopment agency had the agency not been dissolved, and to deposit that amount into the Redevelopment Property Tax Trust Fund. Existing law requires the county auditor-controller for each fiscal year to allocate moneys in the Redevelopment Property Tax Trust Fund for passthrough payment obligations, enforceable obligations of the dissolved redevelopment agency, and administrative costs, as specified.

This bill would require the Orange County Auditor-Controller to establish a separate Redevelopment Property Tax Trust Fund for the

~~former Lake Forest Redevelopment Agency~~ and to allocate property tax revenues attributable to the El Toro Project Area, as defined, between the Redevelopment Property Tax Trust Fund established for the former Orange County Development Agency and the Redevelopment Property Tax Trust Fund established for the former Lake Forest Redevelopment Agency, as provided.

By adding to the duties of local government officials, this bill would impose a state-mandated local program.

This bill would make legislative findings and declarations as to the necessity of a special statute for the former City of Lake Forest Redevelopment Agency.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 34182.1 is added to the Health and Safety
- 2 Code, to read:
- 3 34182.1. (a) The Orange County Auditor Controller shall ~~do~~
- 4 ~~both of the following:~~
- 5 ~~(1) Establish a separate Redevelopment Property Tax Trust~~
- 6 ~~Fund for the former Lake Forest Redevelopment Agency.~~
- 7 ~~(2) Allocate~~ *allocate* property tax revenues attributable to the
- 8 El Toro Project Area between the Redevelopment Property Tax
- 9 Fund established for the former Orange County Development
- 10 Agency and the Redevelopment Property Tax Trust Fund
- 11 established for the former Lake Forest Redevelopment Agency as
- 12 provided in subdivision (b).
- 13 (b) (1) All property tax revenues deposited by the Orange
- 14 County Auditor Controller pursuant to paragraph (1) of subdivision
- 15 (c) of Section 34182 during each fiscal year that are attributable
- 16 to the Neighborhood Preservation and Development Project Area,
- 17 including the El Toro Project Area, shall initially be placed into

1 the Redevelopment Property Tax Trust Fund for the former Orange
2 County Development Agency.

3 ~~(2) Prior to January 2, 2015, and prior to each June 1 and~~
4 ~~January 2 thereafter, or such other Redevelopment Property Tax~~
5 ~~Trust Fund distribution date as may be determined by the~~
6 ~~Legislature, the Orange County Auditor-Controller shall determine~~
7 ~~the sum of the following:~~

8 ~~(A) For each six-month fiscal period, the amount of~~
9 ~~administrative costs pursuant to subdivision (a) of Section 34183~~
10 ~~and negotiated and statutory passthrough obligations pursuant to~~
11 ~~paragraph (1) of subdivision (a) of Section 34183.~~

12 ~~(B) For each fiscal year, both of the following:~~

13 ~~(i) The transfer amount required by Section 33670.9.~~

14 ~~(ii) All other obligations secured by a prior claim on, or pledge~~
15 ~~of, moneys in the Redevelopment Property Tax Trust Fund of the~~
16 ~~former Orange County Development Agency, including tax~~
17 ~~allocation bonds, as applicable, that are payable on a basis prior~~
18 ~~to any transfer to the former Lake Forest Redevelopment Agency~~
19 ~~pursuant to the Transfer Agreement or pursuant to Part 1.8 or 1.85~~
20 ~~of Division 24 of the Health and Safety Code or any other law.~~

21 ~~(3) If the moneys in the Redevelopment Property Tax Trust~~
22 ~~Fund established for the former Orange County Development~~
23 ~~Agency, exclusive of property tax revenues attributable to the El~~
24 ~~Toro Project Area, are sufficient to pay all obligations described~~
25 ~~in paragraph (2) of subdivision (b), the Orange County Auditor~~
26 ~~Controller shall deposit into the Redevelopment Property Tax Trust~~
27 ~~Fund established for the former Lake Forest Redevelopment~~
28 ~~Agency the amount by which the property tax revenues attributable~~
29 ~~to the El Toro Project Area exceeds the amount to be retained by~~
30 ~~the Orange County Development Agency pursuant to the transfer~~
31 ~~agreement. The moneys deposited into the Redevelopment Property~~
32 ~~Tax Trust Fund established for the former Lake Forest~~
33 ~~Redevelopment Agency pursuant to this paragraph shall be~~
34 ~~distributed in accordance with Section 34183.~~

35 ~~(4) If the moneys in the Redevelopment Property Tax Trust~~
36 ~~Fund established for the former Orange County Development~~
37 ~~Agency, exclusive of property tax revenues attributable to the El~~
38 ~~Toro Project Area, are not sufficient to pay all obligations described~~
39 ~~in paragraph (2) of subdivision (b), the Orange County Auditor~~
40 ~~Controller shall distribute the moneys in the Redevelopment~~

1 Property Tax Trust Fund established for the former Orange County
2 Development Agency that are attributable to the El Toro Project
3 Area as follows:

4 (A) ~~An amount equal to the greater of either the following shall~~
5 ~~be retained in the Redevelopment Property Tax Trust Fund~~
6 ~~established for the former Orange County Development Agency~~
7 ~~and distributed in accordance with Section 34183:~~

8 (i) ~~The amount to be retained by the Orange County~~
9 ~~Development Agency pursuant to the transfer agreement.~~

10 (ii) ~~The amount necessary to fund the balance of the obligations~~
11 ~~described in paragraph (2) of subdivision (b) in excess of the~~
12 ~~amount otherwise available in the Redevelopment Property Tax~~
13 ~~Trust Fund for the former Orange County Development Agency~~
14 ~~without regard to property tax revenues attributable to the El Toro~~
15 ~~Project Area.~~

16 (B) ~~The remainder shall be deposited into the Redevelopment~~
17 ~~Property Tax Fund established for the former Lake Forest~~
18 ~~Redevelopment Agency and distributed in accordance with Section~~
19 ~~34183.~~

20 *(2) After deducting the administrative costs allowed under*
21 *Section 34182 and Section 95.3 of the Revenue and Taxation Code,*
22 *as described in subdivision (a) of Section 34183, and remitting*
23 *the amounts required under paragraph (1) of subdivision (a) of*
24 *Section 34183, the Orange County Auditor Controller shall transfer*
25 *the sum of both of the following, determined for the entire fiscal*
26 *year, into the redevelopment obligation retirement fund of the*
27 *successor agency to the Orange County Development Agency for*
28 *distribution as required by law and applicable bond covenants:*

29 (A) *The amount required by Section 33670.9.*

30 (B) *All other obligations secured by a prior claim on, or pledge*
31 *of, moneys in the Redevelopment Property Tax Trust Fund of the*
32 *former Orange County Development Agency, including tax*
33 *allocation bonds, as applicable, that are payable on a basis prior*
34 *to any transfer to the former Lake Forest Redevelopment Agency*
35 *pursuant to the transfer agreement or pursuant to Part 1.8*
36 *(commencing with Section 34161), this part, or other law.*

37 (3) *After depositing the amount described in paragraph (2) into*
38 *the redevelopment obligation retirement fund of the successor*
39 *agency to the Orange County Development Agency, the Orange*
40 *County Auditor Controller shall deposit into the Redevelopment*

1 *Property Tax Trust Fund established for the former Lake Forest*
2 *Redevelopment Agency the transfer agreement amount, as set forth*
3 *in the applicable Recognized Obligation Payment Schedule*
4 *submitted by the successor agency to the Orange County*
5 *Development Agency and approved by the Department of Finance,*
6 *to the extent moneys are available from the portion of the former*
7 *Orange County Development Agency's Redevelopment Property*
8 *Tax Trust Fund attributable to the El Toro Project Area.*

9 (4) *The payment described in paragraph (3) shall be paid prior*
10 *to all payments listed on the recognized obligation payment*
11 *schedule of the successor agency to the former Orange County*
12 *Development Agency other than the payments described in*
13 *paragraph (2), unless otherwise required by statute or applicable*
14 *bond covenants.*

15 (c) This section shall not be construed to affect the obligations
16 of the successor agency to the Orange County Development
17 Agency under Section 33670.9. Such obligations shall be prior to
18 any transfer of property tax revenues directed by this section and
19 this section shall be interpreted and construed in a manner
20 consistent with Section 33670.9.

21 (d) This section is intended to implement the transfer agreement
22 in light of ~~Assembly Bill 26 of the 2011-12 First Extraordinary~~
23 ~~Session of 2011~~ *the enactment of Part 1.8 (commencing with*
24 *Section 34161) and this part* and, except as expressly set forth
25 herein, this section is not intended to alter the transfer agreement,
26 which shall continue in full force and effect in accordance with its
27 terms.

28 (e) For purposes of this section, both of the following definitions
29 shall apply:

30 (1) "El Toro Project Area" means the portion of the former
31 Orange County Development Agency's Neighborhood Preservation
32 and Development Project Area that was transferred to the Lake
33 Forest Redevelopment Agency pursuant to the transfer agreement
34 and Sections 33216 and 33216.1.

35 (2) "Transfer agreement" means the Agreement to Transfer
36 Territorial Jurisdiction of a Noncontiguous Portion of a
37 Redevelopment Project Area dated as of July 6, 1999, entered into
38 among the County of Orange, the Orange County Development
39 Agency, the City of Lake Forest, the Lake Forest Redevelopment
40 Agency, and the City of Laguna Hills.

1 (3) “Transfer agreement amount” means the amount of the
2 payment required to be made by the former Orange County
3 Development Agency to the former Lake Forest Redevelopment
4 Agency pursuant to the transfer agreement, less the amount of
5 passthrough payments attributable to the El Toro Project Area
6 that are disbursed by the Orange County Auditor Controller
7 pursuant to paragraph (1) of subdivision (a) of Section 34183.

8 SEC. 2. The Legislature finds and declares that a special law
9 is necessary and that a general law cannot be made applicable
10 within the meaning of Section 16 of Article IV of the California
11 Constitution because of the unique economic circumstances in the
12 area served by the former City of Lake Forest Redevelopment
13 Agency relating to the payment of debt service on preexisting
14 bonds secured by *former tax increment revenue generated within*
15 *the El Toro Project Area.*

16 SEC. 3. If the Commission on State Mandates determines that
17 this act contains costs mandated by the state, reimbursement to
18 local agencies and school districts for those costs shall be made
19 pursuant to Part 7 (commencing with Section 17500) of Division
20 4 of Title 2 of the Government Code.